

My name is Cheryl Reichert and I reside in Great Falls. I drove here today to speak in favor of HB 134. My background is as a medical doctor (pathologist) and as a Ph.D. scientist (biochemist).

**While HB 134 is broad and doesn't specifically address the coal plant proposed for Great Falls, the Highwood Generating Station serves as a tangible example of why the consumer needs this kind of legislative action.**

I am one of the founding members of Citizens for Clean Energy, a growing grassroots network of concerned residents living in Northcentral Montana. We organized in opposition to the coal plant. There are now more than 1200 people in our database, and our ranks are growing daily. We come from diverse backgrounds and from across the political spectrum. My mother was a delegate to the Montana Constitution, and she helped give us Article II, Sec. 3 right to "clean and healthful environment" and Article IX, section 1..."maintain and improve a clean and healthful environment for present and future generations". My opposition to the coal plant is based not only upon health and environmental concerns, but also on what I perceive to be a costly risky financial venture for our City.

At a informational Neighborhood Council meeting last year, I asked City Manager John Lawton what happens if the coal plant becomes the supplier to city residents and the price of its cost-based power is higher than power available from Northwestern, the current default supplier. I expressed my concerns about the cost of transporting coal long distances over captive rail services, the challenge of what to do with excessive off-peak power (since this type of plant can't be throttled back), and the added costs of a carbon tax. I specifically asked him if the Public Service Commission (PSC) would intercede on our behalf. The answer he gave me was the PSC has no authority over public utilities and as Great Falls city lobbyist Joe Mazurek reiterated at the hearing on Monday, "local governments that run utilities will be held accountable by their customers and don't need to be regulated by the PSC". In other words, "don't worry because we're an elected nonprofit entity".

Somehow I do not find that at all comforting. Great Falls residents do not want to be unwilling "guinea pigs" forced to participate in this experiment. Not trusting the will of the people, our City surreptitiously removed our right to vote on this issue; the City has repeatedly refused our requests to examine the financial documents that form the basis of this experiment; there has been foot-dragging on a "Freedom of Information Act" request that was submitted last fall by one of our attorneys.

It is not sufficient for the City to tell us they are well-intentioned; they are a vested interest. The energy market place is rapidly changing, and in this arena they are amateurs. Even their partner, Southern Montana Electric, has never generated a kilowatt of energy....they have managed energy contracts, not electrons. They are proposing to build an older technology plant that will be obsolete before it is completed and that will unnecessarily degrade our clean air and blue skies.

I currently sit on one of the Technology Working Groups for the Governor's Climate Change Advisory Committee. A carbon tax is inevitable, and when it is enacted it will add millions of dollars onto the cost of operating this albatross. It will not be paid by those creating energy from wind, solar, or hydropower, and it will not be paid by the 21st century IGCC coal gasification plants with carbon sequestration as promoted by our Governor.

The little people need the help of the Legislature and unbiased wisdom of the Public Service Commission to help us navigate this morass. There needs to be escape clauses for residential consumers ensnared by the billowing clouds of this coal plant.

House Bill 134 is not premature, because this year our City will attempt to sell bonds on Wall Street to investors who need to know that the market for this electricity is not locked in for the next 30 years. House Bill 134 may be a little rough around the edges, and I hope the Public Service Commissioners will help the drafters do a little polishing. We hope that you will vote to move it along in the process. House Bill 134 provides an important educational opportunity for legislators and Montanans, and it deserves an open discussion.

For those who are interested in learning more about the concerns of our Citizens for Clean Energy group, please visit our website at cce-mt.org.

Cheyt N. Roberts  
51 Project Drive  
Great Falls, MT 59405  
406-727-1964

## Criteria

### Questions for Grant Applicants

Under State law (Section 90-6-206, MCA) and the Administrative Rules of Montana (Section 8.10.301, ARM), grants must be awarded on the basis of:

**Need** – what assistance is required to eliminate or reduce a problem that threatens the public's health, safety, or welfare that is the result of coal development or decline?

**Severity of impact from coal development or decline** – what has been the relative amount of demographic or economic change that is a result of the coal development or decline?

**Availability of funds** – the weighing of the amount of available Coal Board funds in comparison to the total requests submitted?

**Degree of local effort** – what other funding sources can the applicant pledge to the project based on the applicant's indebtedness and current taxing efforts, and has the applicant sought out all other reasonable sources of funding to assist with the project?

**Planning** – does the proposal fit into an overall plan for the orderly management of the existing or contemplated growth problems?

- How is the need for a grant related to impact from coal development or decline?

- Is the need documented to be a high priority project for the community?
- Can you demonstrate community input and support for the project?

- Can you demonstrate how the project will directly meet the stated needs?

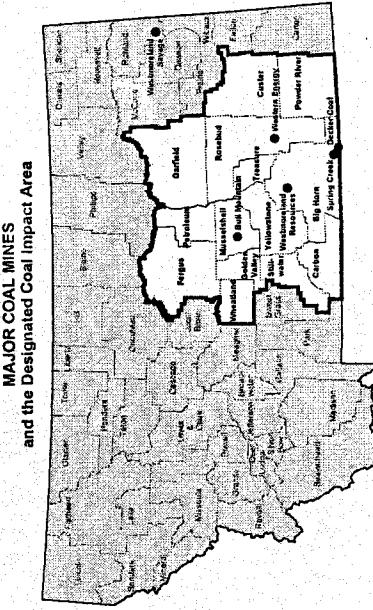
- Have other possible sources of funding been seriously explored?
- Is the community's financial commitment demonstrated and secured?
- Is the budget and financial plan for the project realistic, appropriate, and feasible?
- Is a reasonable timeframe established for the completion of the project? Questions and requests should be directed to:

Administrative Staff  
Montana Coal Board  
Department of Commerce  
**Joe LaForest, Admin. Assistant**  
(406) 841-2789

**Ellen Hanpa, Admin. Assistant**  
(406) 841-2782  
301 S. Park Avenue  
Helena, MT 59601

# The Montana COAL BOARD

## *Assisting Communities Impacted by Coal Development*



**Montana  
Department  
of Commerce**

Updated October 2006

## Funding Authorized

Coal Board Grant Dollars Appropriated by the Montana Legislature for:

**Fiscal Years 2006-2007...\$ 1,672,453**

Coal Board grants are funded by Montana's Coal Severance Tax.

### Purpose

The Coal Board's purpose is to assist local governmental entities that must provide expanded public services and facilities needed as a consequence of coal development, consumption, or decline.  
(See Section 90-6-201, MCA.)

### Eligibility

Where a coal impact exists, Coal Board grants may be awarded to any:

- ◆ City
  - ◆ Town (incorporated)
  - ◆ County
  - ◆ School District
  - ◆ Special District
  - ◆ Federally recognized Indian tribe
  - ◆ State agency
- (See Sections 90-6-206, 207, 208, MCA)

Fifty percent of the funding appropriated for coal impact grants is reserved for governmental units within the designated coal impact area.

## Montana Coal Board

*Returning coal severance taxes to coal impacted areas.*

The seven-member Coal Board meets quarterly to consider applications for coal impact grants. All Board meetings are open to the public. Public comment on any public matter that is within the Board's jurisdiction will be allowed at all Board meetings. The opportunity for public comment is reflected on the meeting agenda. All comments are included in the official minutes of the meeting.

### **Montana Coal Board Members**

John Williams, Chair –Colstrip

Dan Dutton – Beffry

Chad Fenner – Hardin

Thomas Kalakay – Billings

Gerald Navratil – Sidney

Jan Riehoff, Vice Chair – Bozeman

Coal Board meetings are held at facilities that are fully accessible to persons with disabilities. Any person needing reasonable accommodations must notify the Coal Board at 406-841-2782 or TDD at 406-841-2702 before the scheduled meeting to allow for arrangements.

For copies of application forms and other information please visit our website [http://comdev.mt.gov/CDD\\_cb.asp](http://comdev.mt.gov/CDD_cb.asp)

Alternative accessible formats of this document will be provided upon request. For further information, please contact the above telephone numbers.

## Application Process

1. Applicants can download application forms from the Board's website or request information and forms from the Coal Board staff.
2. Pre-Applications are due the first of the month that precedes the scheduled month of the meeting. Applicants can contact staff for assistance with pre-application procedures.
3. Staff, Board members, and other appropriate agencies review the application.
4. The applicant appears at a scheduled meeting and formally presents the proposal to the Board.
5. The Board considers the proposal and votes to either:
  - Approve the Pre-Application and consider it as a Full-Application at the next meeting.
  - Table the Pre-Application and request more information, as needed; or
  - Deny the Pre-Application.
6. Full-Applications are due the first of the month that precedes the scheduled month for the next quarterly meeting.
7. The applicant appears at the scheduled meeting and presents the Full-Application to the Board. If approved, contract stipulations are established and staff prepares a grant contract.